

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

FIBER SYSTEMS INT'L, INC.,

vs.

APPLIED OPTICAL SYSTEMS, INC.

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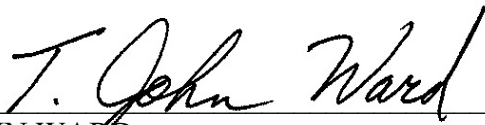
CASE NO. 2:06-CV-473

ORDER

The above-entitled and numbered civil action was heretofore referred to United States Magistrate Judge Chad Everingham pursuant to 28 U.S.C. § 636. The report of the Magistrate Judge, which contains his proposed findings of fact and recommendations for the disposition of such action, has been presented for consideration. The undersigned has reviewed the parties' objections to the Magistrate's Report and Recommendation, and is of the opinion that the findings and conclusions of the Magistrate Judge are correct. Therefore, the court hereby adopts the report of the United States Magistrate Judge as the findings and conclusions of this court.

The court issues a preliminary injunction against future sales of the defendant's accused products. However, under 28 U.S.C. § 1498(a), the scope of the injunction exempts future sales of those products that are actually delivered to and accepted by the Government or purchased by government contractors for future delivery to the Government. The precise extent of such past sales is not borne out by the present record in this case, and the burden of establishing the extent of any exempt future sales is placed on the defendant in any contempt proceeding. The court sets bond in the amount of \$250,000.

SIGNED this 31st day of March, 2008.



T. JOHN WARD
UNITED STATES DISTRICT JUDGE